EMPLOYEE ENGAGEMENTIN SMALL AND MEDIUM SCALE INDUSTRIES: AN EMPRICAL ANLYSIS OF KASHMIR.

SYNOPSIS

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1. INTRODUCTION:

Employees are always a key resource to business because of increased competition in market. Studies suggest that low level of employee engagement is one of the serious problems at global level. Engaging employees at work place is important because it contributes to overall rational of organization *[Demerouti and Cropanzano 2010]*. So there arises the need to have in depth scrutiny regarding engagement of employees, its impact on employee performance and overall productivity of organization.

1.1 EMPLOYEE ENGAGEMENT:

Employee engagement is complicity of employee in taking decisions, mission and vision of organization and job satisfaction *[Shoaib 2019]*. Employee engagement is a concept that has its roots in science as it puts focus on human condition. It is a fundamental concept and highlights both the qualitative and quantitative aspects of an employee and its relationship with organization itself. Employee engagement also gives attention to feelings of an employee, how passionate an employee is about his/her job. The term employee engagement is very important for organizational success.

The concept of employee engagement got its origin from burnout literature. In order to understand the conditions of employees, their wellbeing and unwell being, the concept of employee engagement is given more focus *[Schaufeli et al 2008]*. Increasing interest has been given to the area of employee engagement from the past years. In area of employee relation and motivation this concept is new and emerging. Employee engagement has been well said as the predictor of organizations ability to cope with various uncertain and difficult situations. It relates to build a hysterical relationship between an employee and the organization which can be seen through achievement of objectives and values of organization *[Malgorzata and Barbara 2017]*. Employee engagement is viewed as good factor for customer satisfaction, retention of employees and increasing profitability and productivity. Employee engagement acts as ambassadors for an organization. More the employee engagement more will be employee positivity and satisfaction for job which in turn contributes to organizational success *[shree 2019]*. Engaged employees are more connected to the organization and is evident that they perform 20% more than that of others. Engaged employees not only increase bottom line profits but also help an organization to have improved efficiency in driving change and other initiatives *[smith and Markwick 2009]*.

1.2 EMPLOYEE PERFORMANCE:

Employee performance is perceived as overall outcome of an employee be it financial or non-financial which has direct link with the performance and organizational success. Research shows that one of the best ways to improve employee performance is to focus on employee engagement *[Anitha 2014]*. Employee performance is an important factor of productivity and may be defined as the behavior shown by employees at work place. There are various factors

that determine the performance of an employee like efficiency, quality, ability, profitability and effectiveness. If performance of employees is high, it can provide opportunities for organization and employees as well *[vans cotte 2000]*. Performance is not confined to actions only but also extends to judgment and evaluation process *[Ilgen and schneider1991]*. Training is directly related to employee performance. It can be defined as measure of output in relation to input *[Afroz 2016]*. In simple terms employee performance can be defined as extent to which employee performs his duties and executes the tasks required. Performance also helps in assessing how valuable an employee is for organization *[Lia Ciner 2020]*.

1.3 LINKAGE BETWEEN ENGAGEMENT AND PERFORMANCE:

It is the need of hour for every organization to understand the linkage between employee engagement and employee performance. In today's economy organizations have understood that having well trained workforce is must for an organization to grow and survive. Organizations will have well trained workforce by engrossing employee engagement. The term employee engagement has become cynosure for increased performance of employees.

There are various studies that reveal the close affinity between employee engagement and employee performance. Engaged employees are committed towards organization and give better performance than the employees who are not engaged towards organization. One of the key factors to achieve performance is engagement. Studies reveal that employees who are engaged yield near around 20% more profits than those who are less engaged and turnover of engaged employees is also less than that of others. There is a pragmatic relation between employee engagement and performance through elevated execution, the reason being that employees who are engaged experience feeling of belongingness and positive emotions which paves way for broadening their way of thinking, leading them towards work and become *attentive [Gichohi 2014]*. Employee engagement not only has an impact on employee performance but also can be linked to job satisfaction. When an employee is engaged, he feels satisfied and enthused with his/her job. Employee engagement has been found directly in proportion to work performance *[Bakker and Bal 2010]*.

1.4 SMALL AND MEDIUM ENTERPRISES:

Small and medium sized industries are the businesses that maintain all the revenues, assets or a number of employees below a certain limit. In small enterprises, investment limit is 10 crores with an annual turnover of 50 crores while in medium enterprises, investment limit is 50 crores with annual turnover of 250 crores. For any organization irrespective of its size, it is important to have an engaged work force but unfortunately employee engagement is not talked about in small and medium enterprises. If we look in broader way there are many opportunities with respect to employee engagement drive in small and medium enterprises that can be successfully implemented. In small businesses it is very easy to find out the reason when employees become disengaged and an effective communication system can be opened up to overcome the issue. In small businesses it is very easy to gaze for the talent

across the organization and harness that talent. More over one of the best opportunities in small businesses is that employees are acquainted with how much they are contributing *[Maini 2018]*

2. SIGNIFICANCE OF STUDY (RATIONALE)

Medium and small-scale industries have been chosen for the study as it is the sector where opportunities are at rise. In medium and small-scale enterprises employee engagement is not talked that much but if we look at opportunities, they are ample e.g., in small and medium enterprises leaders can easily take employee engagement initiatives by communicating with employee which sometimes seems to be difficult for large scale industries.

A study was carried on small and medium enterprises in Kashmir division and it was found that SME's in Kashmir can do a lot to moil employees to give their best. Better employee engagement provides radical benefits and is key for success of SME's in competitive environment. There is need to study the impact of employee engagement on overall performance of employees in SME's because it will improve efficiency and profit for business and also help SME's to secure their position in competitive environment.

Significance for Organization: J&K is industrially backward area, with the help of this study SME's will get to know the strategies and ways by which employee engagement will be boosted and ultimately will bring productive results for organization.

Society: If performance of employees is improved and engagement rates are increased the, this will provide more job opportunities for youth because more the success more will be the need to harness and gaze new talent.

Government: This study will be helpful for government because success of SME's is linked to economy of nation and contribute to GDP and govt. will be able to illuminate monetary values.

3. SCOPE OF STUDY

The present study will examine employee engagement of SME's operating in Kashmir. The study will cover different districts of Kashmir. The focus of the study will be engagement and performance of employees and its impact on productivity of SME's of Kashmir. This study will be conducted to get understanding and correspondence between employee engagement and employee performance in SME's of Kashmir.

4. STATEMENT OF RESEARCH PROBLEM

It is evident that employees will perform better when they are actively engaged in organization. Therefore, it is very important to study the various factors of employee engagement and the problems faced by SME's of Kashmir in enhancing employee

engagement. A full-scale research can be conducted in this aspect via questionnaire or interviews to obtain useful information.

5. AIM

The aim of the study would be examining employees, determining the various problems and factors related to employee engagement in SME's operating in various districts of Kashmir.

6. OBJECTIVES OF STUDY

1. To study different factors of employee engagement in SME's operating in Kashmir.

2. To study the linkage between employee engagement and performance of employee in SME's of Kashmir.

3. To study various problems that hurdle engagement of employees in SME's of Kashmir.

7. RESEARCH HYPOTHESIS

H1: There is significant relationship between employee engagement and employee performance.

H2: There is no significant difference in identifying the strategies related to employee engagement.

8. REVIEW OF LITERATURE

Kahn (1990) developed a theory in which he put forward different models of employee engagement. As per Kahn there are three requirements of employee engagement that include active participation, positive attitude and work role focus of an employee. Later this model called in new measures of employee engagement that enlist intellectual, social and affective engagement that is what is known as ISA scale of measuring employee engagement. Kahn proposed employee engagement as a multi-faceted construct. He carried out a pilot study and 200 employees were involved as participants from an array of organizations. The upshot from the principal component investigation using varimax rotation provided aid to three facet model of employee engagement.

Sacks (1990) acknowledged the Kahn's model and stressed on the psychological conditions that are required for engaging employees. He identified that engagement is achieved when employees will give their attention to organization and work with zeal. In simple terms engagement can be achieved when employees acknowledge to conditions with differing degrees of engagement. But why people will respond to varying conditions would be found by examining engagement through social exchange theory model. Sacks found that

employees will engage themselves based on the resources their organization is providing them. Since organization provides support in one way or other then employee weighs that and if balance is found, they strive to return.The result revealed by studying variables and factors like performance, engagement, job satisfaction. More over Gallup's Q12 survey also played an important role in determining the levels of employee engagement. Statistical tools used were chi-square, ANOVA, correlation, multiple regression on sample of employee to study the linkage between different variables of employee engagement.

Kotelnikov (2000) described aboutmotivation factor and says that motivation plays an important role in employee performance which can also be related to engagement. How well employees perform their job is determined by the extent to which employees are motivated. He further added that motivation has positive effect on quality performance. He also extended his findings by incorporating the concept of work life balance. Motivated employees show higher work life balance and higher levels of engagement. Motivation can be defined as a stepping stone while determining the correspondence between employee engagement and performance [*Abigail Tetteh]*. In this study questionnaire was used as an instrument to collect data.

Maslach *et al* (2001) linked burnout with employee engagement. Burn out was called as erosion of employee engagement. His focus was that lack of recognition and reward system deprives engagement and leads to burnout. Employee engagement can be put on moil by appropriate recognition and reward system. He further focused on areas that could either lead to burnout or engagement, these areas are fairness, recognition, support, justice etc. It was revealed that employee engagement is linked with appropriate load employee is having at workplace, choice he is given at work, degree of control etc. In this study survey method was used. Participants in this survey were voluntary, anonymous and confidential. Participants were asked to give a unique code so that their responses could be linked from time to time. Survey got full support from top administration also.

Gallup (2006) focused that employees could be divided in three categories namely engaged employees, non-engaged employees, actively disengaged employees. Engaged employees constantly work with zeal and give their best for organization. Non engaged employees focus on task they have been assigned with rather than overall goals, they work as per their own will. Actively disengaged employees are liability for an organization and prove to be dangerous for organizational health. He further focused that if significant deference is shown to employees then it can tie up with employee engagement and further to financial results of organizations. Gallup study showed that engagement of employees boosts performance and finally enhances results. In 2012 Gallup conducted a meta- analysis to review the linkage between employee engagement and employee performance. In his study he used questionnaire which included 12 questions. In his Q12 survey he used 263 studies across 192 organizations in 49 industries and 34 countries. More over in this study 49928 work units including 1.4 million employees were focused. The results revealed that there is a strong connection between employee engagement and employee performance outcomes like revenue, annual turnover, profitability, productivity etc.

Marcie and Christina (2009) revealed that for driving employee engagement age plays an important role. This study was found to be fruitful for employers because it helps them in boosting the levels of employee engagement for all ages and generations. High salary is not the only factor to retain and engage employee, there are also various other factors like job content, encouragement, cooperation, scope for career, opportunities development that play an important role in employee engagement.

Reio and Rocco (2011) conducted a study to find out the links between different variables like commitment, engagement, climate, culture with discretionary efforts, turnover etc. The results revealed that job fit, commitment and climate of organization has impact on employee engagement and employment engagement was notably related to both voluntary effort and intention to turnover. In this study internet-based survey was used involving heterogenous sampling of organizations from service, healthcare, technology etc.

Soni (2013) analyzed 199 research studies to explore the correspondence between employee engagement and employee performance. In her study 152 organizations and 32394 business with a total count of 955905 employees were targeted. The study revealed that employee engagement is allied to nine performance outcomes like: loyalty of customer, productivity, profitability, turnover, shrinkage, safety, absenteeism, quality, commitment (already studied by Gallup). Each of the performance outcomes has links with employee engagement. Results from this study showed correlation between employee engagement and performance nearly about 0.48. In this study survey method was employed using questionnaire as a tool for study.

Anitha (2014) identified core bait of employee engagement and studied the impact of employee engagement on organizational fertility. In this study 383 participants were targeted from Coimbatore district small industries association in India. She found that there are some factors that have close correlation with employee engagement that include: emotional well-being of employees, levels of communication, organizational environment and job commitment. The study came up with the conclusion that in order to achieve high magnitude of employee engagement, it is important for every organization to have involvement of management in creating for creating acceptable workplace environment and updated HR policies. The method employed was quantitative research using a questionnaire to collect data on employee engagement and productivity. A total of 33 questions were used having Gallup's Q12 as a base.

Mishra *et al (2015)*focused on the barriers that hinder in achieving increased employee engagement. Some of the elements were determined as barriers for effective employee engagement, these enlist: lack of proper communication, defective and hostile environment at workplace and poor leadership. These are the factors that help in creating transparency and trust between employees and management. If proper attention is not given on these factors then it will lead to reduced employee engagement and ultimately to decreased performance. This study relies on quantitative research method using a questionnaire to collect data on employee engagement.

Horvatha, Milkusova and Kashi (2019) said that employee engagement has an impact on employee performance. The various factors that affect the levels of engagement vary

depending on the age of employees. They said organization should take these differences into consideration and take into account when increasing employee engagement. In their study they tried to introduce new way of evaluating importance of employee engagement factors by also including generation Y and provide results of practical implication of pilot study. Survey method was used using questionnaire as a tool on a sample of 664 respondents.

Ibrahim, Said and Abas (2020) acknowledged that engagement of employees is always linked to positive state of mind of employees and also includes various factors like happiness, pleasure, joy and fun. But there was also critics focusing that joy and fun at work place can bring disharmony. So, they came up with the results that joy doesn't always enhance engagement sometimes it can lead to negative results. They also focused on impact of employee well-being on organization. Wellbeing of employees has effect on organizational productivity and performance of employees. HR factors can also affect employee's mental and psychological wellbeing.

Nisha and Sangeeta (2020) said that engaged employees provide support to organization in attaining its mission and vision. They suggest that employee engagement can be enhanced by different HR practices. Organizations that focus on and support employee engagement are more likely to retain talent in the organization. Employee engagement is built on belief, reliability and communication between organization and its adherents. Organizations can increase employee engagement by enhancing decision making and maintaining transparency. The findings of their study suggest that more employees are engaged in the workplace high will be commitment towards organization. They used secondary data for their study.

Afrahi (2021) said that work engagement has become one of the most influential management ideas of recent decades. There is a prevalent assumption that employee engagement is inherently beneficial and disengagement is a problem but in this paper, he suggested that disengagement can't always have negative impact but at times can be beneficial for employees. His tries to give importance to disengagement of employees, second, he also suggests differentiating between engaged, non-engaged and disengaged employees. He suggested that various theories have viewed disengagement as distancing oneself emotionally, cognitively or physically from work but this distancing shouldn't be viewed inherently as negative. He stressed on lockdown which was imposed with respect to Covid19 in which he tried to explain that distancing or disengagement from work may sometimes result from the situation prevailing and can't be always negative.

9. RESEARCH GAP

As far a number of studies have been conducted by various research scholars, students, and professors of various fields about employee engagement. Their studies assisted me to think and present something different in this context. At this point what missed in review of literature is that there is no previous study that focus on employee engagement issues in SME's of Kashmir. Limited research has been done in this field. So, there are further opportunities on which I can moil on. Literature reveals that most of studies show positive

correspondence between employee engagement and employee performance but little focus is given on Murphy's results that showed that employee engagement is not linked to performance in positive way. There is need to provide evidence on positive correspondence between employee engagement and employee performance. There is no previous research that highlights problems related to employee engagement in SME's of Kashmir. Some studies show that women are engaged towards organization than men, but this concept that gender has also impact on employee engagement need to be further justified.

9.1 Research Question

- To what extent employee engagement affects employee performance?
- What are the factors that are included in employee engagement?
- Does gender has an impact on engagement levels of employees?
- What are the problems that hurdle enhancement of employee engagement?

10. SAMPLE DESIGN

The sampling frame will be based on SME's that are selected from various areas of Kashmir. There are 10 districts in Kashmir valley out of which we are taking only 4 districts into consideration that are mentioned below:

1) Srinagar (404 Units)
2) Pulwama (277 Units)
3) Budgam (58 Units)
4) Anantnag (62 Units)

In district Srinagar we are covering Industrial estate Khonmoh with 94 units, in Pulwama we are taking IGC Lassipora, Industrial estate Khrew, Awantipora and Tral area, in Ananthnag districts we are covering Bijbehara & Sangam area and at last we are covering industrial estate Rangreth.

With reference to the above districts of Kashmir following enterprises will be targeted for study:

Sr no.	Enterprise	Place	Sample size
1	REHMAT MASALA PVT. LTD. (MEDIUM)	KHONMOH SRINAGAR	40
2	KHYBER INDUSTRIES PVT. LTD. (MEDIUM)	KHONMOH SRINAGAR	40
3	TRUMBO CEMENTPVT. LTD.(MEDIUM)	KHONMOH SRINAGAR	40
4	BANDAY GROUP OF COMPANIES (MEDIUM)	KHONMOH SRINAGAR	40

5	CRESCENT STEEL INDUSTRIES (SMALL)	KHONMOH SRINAGAR	40
6	ALPINE AGRO FRESH PRIVATE LIMITED (MEDIUM)	LASSIPORA PULWAMA	40
7	PANCHAL AGRO FRESH (MEDIUM)	LASSIPORA PULWAMA	40
8	POPULAR CARDBOARD (SMALL)	LASSIPORA PULWAMA	10
9	HARSHINA NATURALS (MEDIUM)	LASSIPORA PULWAMA	40
10	RAYEES TRADING CO (SMALL)	LASSIPORA PULWAMA	10
11	ZUM ZUM FOOD PRODUCTS (MEDIUM)	LASSIPORA PULWAMA	40
12	HK CEMENT INDUSTRIES PRIVATE LIMITED(MEDIUM)	KHREW PAMPORE	40
13	MAGRAY BRICK KILEN (MEDIUM)	CHECK AWANTIPORA	40
14	SHEIKH CARDBOARD FACTORY (SMALL)	NOORPORA TRAL	10
15	FILL INDUSTRIES LIMITED (SMALL)	RANGRETH BUDGAM	10
16	CHINAR ELECTRICAL INDUSTRIES (MEDIUM)	RANGRETH BUDGAM	40
17	BISLERI PLANT, AQUALITE WATERS (SMALL)	RANGRETH BUDGAM	10
18	ALBA TRANSFORMERS (MEDIUM)	RANGRETH BUDGAM	40
19	DELIGHT SPORTS (SMALL)	HALLMULLA SANGAM ANANTNAG	10
20	RASHID CHAMPION SPORTS (SMALL)	HALLMULLA SANGAM ANANTNAG	10
21	GOODLUCK SPORTS (SMALL)	HALLMULLA SANGAM ANANTNAG	10
22	KANWAL INDUSTRIES (MEDIUM)	ANANTNAG	40

11. RESEARCH METHODOLOGY

11.1 Research design: The present study will use exploratory and descriptive type of resign design.

11.2 Data collection: In this study data used will be from primary sources. The primary data will be collected through questionnaire and interaction with the employees of SME's in Kashmir.

11.3 Sampling technique: Selection of respondents will be totally based on judgmental sampling.

11.4 Area of study: Area of study will be Kashmir.

11.5 Sample size: The sample size will be 580 respondents.

11.6 Data analysis: Appropriate statistical tools will be used for analyzing data. These tools enlist ANOVA, factor analysis, chi-square etc. as per the need of data.

11.7 Measurement and scaling: The study will be evaluated with the help of scaling technique like 5- point Likert type scale.

12. CHAPTERIZATION OF STUDY

Chapter No.	Chapter Title
1	Introduction
2	Review of literature
3	Research Methodology
4	Analysis and Interpretation
5	Findings and Recommendations

13. DELIMITATIONS

The proposed study will concentrate on area of Kashmir only. It will cover employees from SME's operating in district Pulwama, Srinagar and Anantnag and Budgam only.

14. IMPLICATION OF RESEARCH STUDY

Employees are the key resources for every organization. With high employee engagement organizations excel in customer satisfaction and achieve high productivity. In small and medium scale enterprises, employee engagement plays an important role in achieving higher levels and staying in competition. The study will address how to encourage employee engagement in small and medium scale enterprises of Kashmir and how employee engagement affects performance of employee.

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